

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 2269 – Real Estate Broker Trust Account Transfer (LSB 5363 HV)
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Fiscal Note Version – New

Description

House File 2269 directs interest earned on the Title Guaranty Fund and interest earned on the trust accounts of real estate brokers to be deposited in the State Housing Trust Fund instead of the Local Housing Assistance Program Fund. House File 2269 also transfers all unobligated funds in the Local Housing Assistance Program Fund to the State Housing Trust Fund. The Local Housing Assistance Program and Fund are repealed.

Background

The balance in the Local Housing Assistance Program Fund was \$1.3 million on February 5, 2008. The Title Guaranty Fund earned an average of \$204,000 and the trust accounts of real estate brokers earned an average of \$205,000 over the prior four fiscal years.

Assumptions

- The balance in the Local Housing Assistance Program Fund was \$1.3 million on February 5, 2008, and will remain constant.
- The interest earned on the Title Guaranty Fund and the trust accounts of real estate brokers will total \$409,000 annually.

Fiscal Impact

House File 2269 will decrease the funds available to the Local Housing Assistance Program and increase revenue to the State Housing Trust Fund by the following estimated amounts:

- \$1.7 million in FY 2009
- \$409,000 in FY 2010 and each fiscal year thereafter

Sources

Iowa Finance Authority
Department of Economic Development

/s/ Holly M. Lyons

March 11, 2008

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
